2 May 1983 DDI 3202-83 QU; ER 83-2224

MEMORANDUM FOR: Director of Central Intelligence

FROM : Deputy Director for Intelligence

SUBJECT : DDI Resource Allocations

- 1. The Comptroller's description of how new DDI resources have been allocated over the past several years generally is correct. Additional manpower has been applied to the Third World, the Middle East, Latin America and against such issues as technology transfer, international finance, instability and terrorism. In addition to these changes, the Directorate has added to the number of analysts assigned to policy agencies and serving overseas with embassies. It also has strengthened its current intelligence effort and started some analysis of Soviet counterintelligence.
- 2. The people added to the Directorate over the past three years don't 25X1 come close to covering those changes. To meet the new demands placed on it, the Directorate has drawn people from other work. It also has significantly increased the amount of paid and unpaid overtime. Fundamentally, it has played a shell game rather than discovered the miracle of the loaves and fishes. The Directorate has sacrificed forward-looking research on countries and issues to work on immediate problems. It has been living off existing expertise and analysis but not replenishing it. Specifically, it drew down in the following areas:

3. The Directorate has "faked it" in some areas where a few very good and active people make it appear that many are at work. Both tactics have been to cover analysis on technology transfer, arms control, and instability.

25X1 pci exec REG 4. Some of these drawdowns have been appropriate, others are merely expediencies that will be regretted in the future. The Directorate already is reversing its earlier decision by adding to its effort on Chinese weapons development and science and technology. It needs to fill behind in some of the more technical areas where engineer, scientist, and econometric positions were borrowed because qualified candidates were not readily available.

Robert M. Gates

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